see money differently

Nedgroup Investments Global Emerging Markets Equity Fund

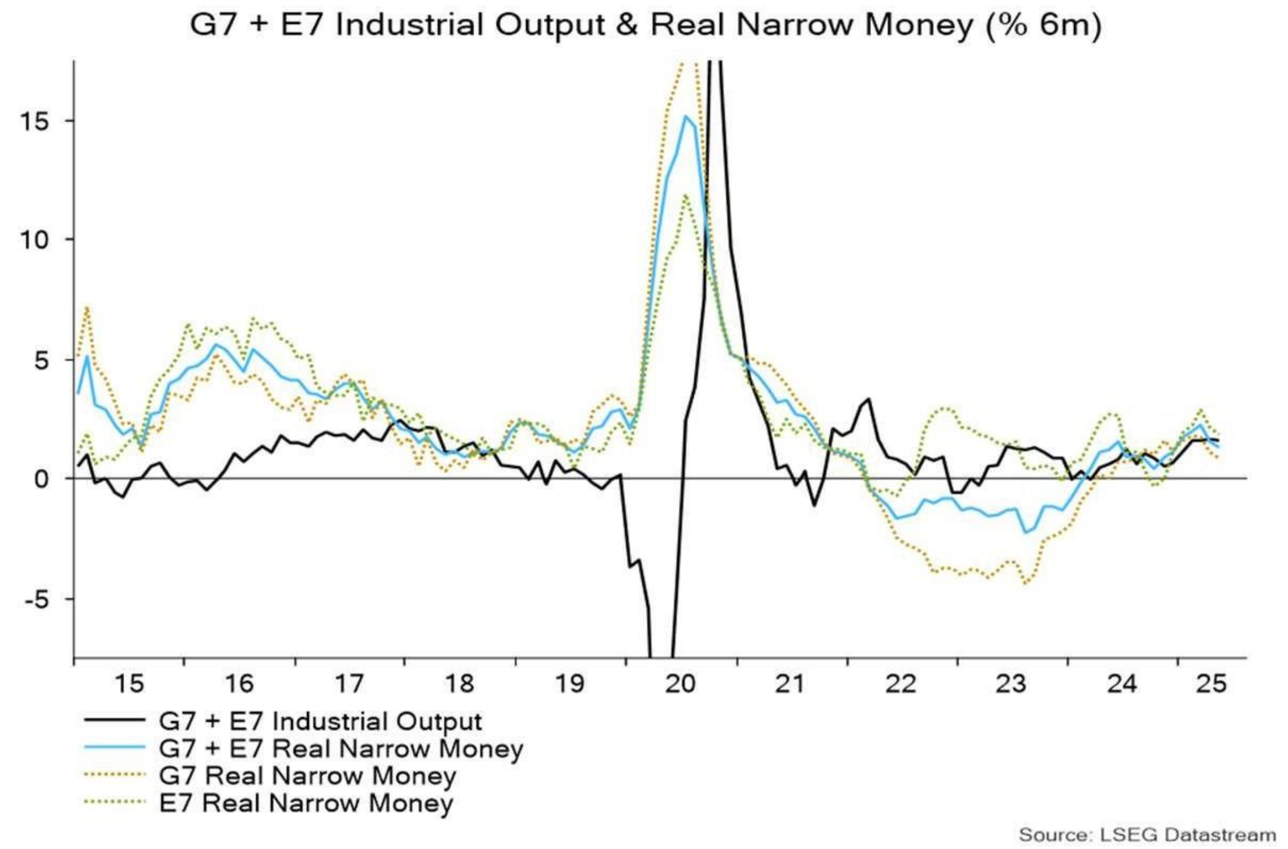
Quarter Two, 2025

Marketing Communication

Economic and Monetary Backdrop

EM equities outperformed DM on average historically under two conditions, namely 1) global (i.e. G7 plus E7) real narrow money growth was above industrial output growth and 2) real money growth was stronger in the E7 than G7. The first condition indicates a supportive global liquidity backdrop while the second signals stronger economic prospects for EM than DM.

Allowing for data reporting lags, these conditions were satisfied from end- February through end-June, a period during which MSCI EM outperformed MSCI World by 5.8%. However, the latest numbers show global six-month real money growth slipping back below industrial output momentum, although the E7 / G7 gap remains positive:



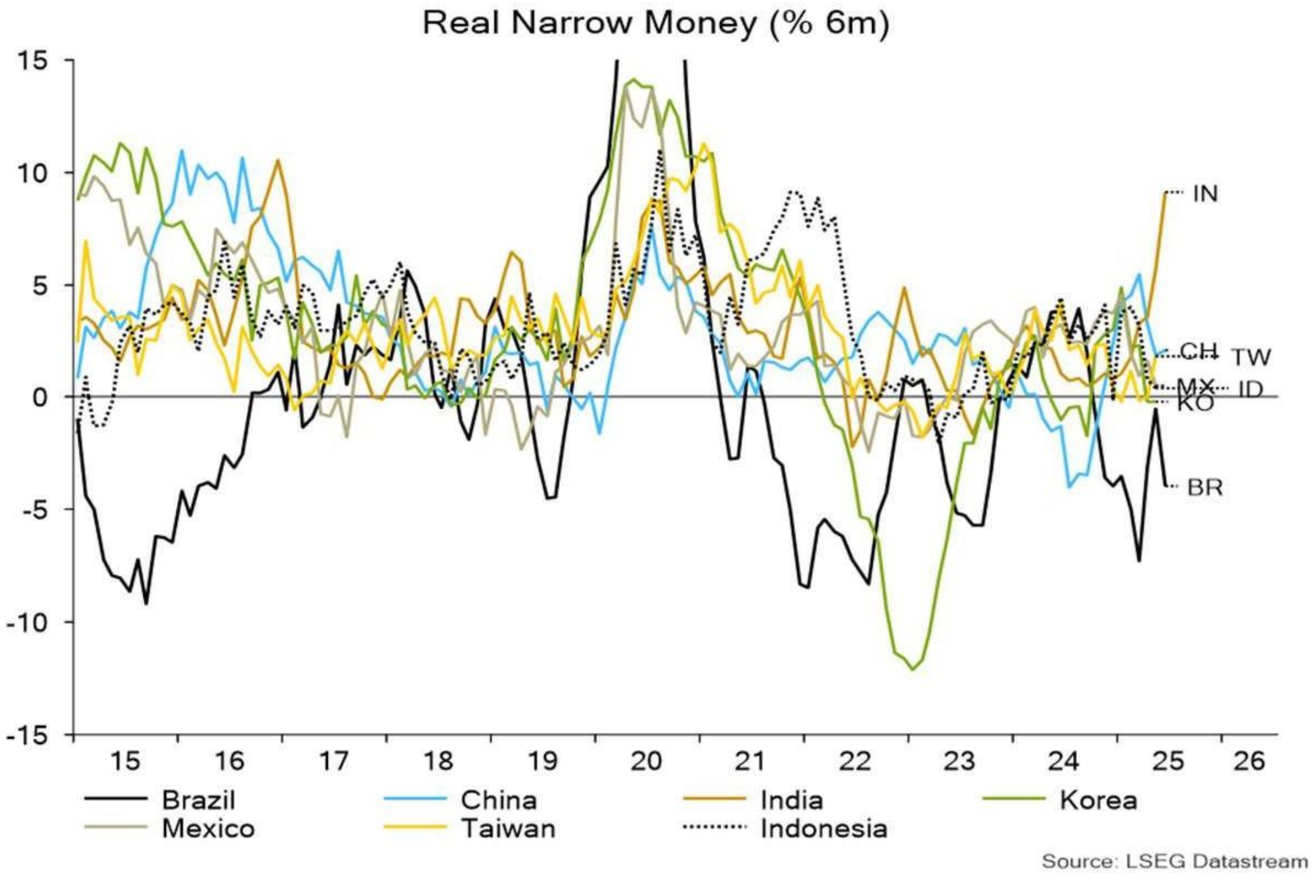
The suspension of the positive signal may prove temporary. Global industrial output has been boosted by front-loading to avoid higher US tariff rates, with payback likely during H2.

The outperformance of EM equities has also reflected a significant decline in the US dollar. The US real effective exchange rate remains significantly above its long- run average and has declined into and beyond the last three housing cycle troughs, with another low scheduled for later this decade.

The further rise in China's bumper trade surplus confirms the super- competitiveness of its manufacturing sector. Containing this dominance requires a substantial appreciation of the yuan, for which US tariffs are a poor substitute. Such a revaluation would support the long-hoped-for shift in the Chinese economic structure towards consumption and services.

Chinese H1 GDP growth was consistent with the 5% full-year target but remained unbalanced, while six-month money and credit growth has cooled. The PBoC has continued to manage money rates lower, with additional easing likely.

Indian narrow money growth has surged on the back of aggressive RBI rate cuts. Taiwanese growth has also firmed and may rise further as currency strength forces the central bank to ease. By contrast, momentum has slowed in Indonesia, Korea and Mexico and remains negative in Brazil:



Portfolio strategy

Emerging markets were boosted by a falling dollar as the MSCI EM Index was up 11.99%. South Korean holdings outperformed a surging market as Democratic Party leader Lee Jae-Myung won the snap presidential election to replace impeached former president Yoon. An underweight to Taiwan was a detractor as renewed investor enthusiasm boosted the market's tech stocks. The falling US dollar supported liquidity sensitive Hong Kong names, while shares in mainland China detracted. Stock picking in India was positive led by defence company Bharat Electronics and Max Healthcare.

Negative tariff headlines hit Southeast Asia, with stocks and overweight positioning in Indonesia, the Philippines, Malaysia, and stocks in Thailand all detractors. Stock picking in Brazil, Mexico and Peru outperformed strong markets. Stocks in Greece and Poland underperformed, partially offset by overweight positioning as these markets rallied. An underweight to Saudi Arabia was positive, with the market weaker as conflict between Israel and Iran intensified. During the quarter we added to Argentina, Hong Kong, India and Malaysia, and reduced Mexico, Greece, and China.

South Korean financials and technology positions outperformed, rallying on hopes for president Lee Jae-Myung's election platform of corporate governance reforms. Lee's Democratic Party are also supporters of the Value-up Program introduced under president Yoon. Market authorities aim to use the initiative to pressure companies into improving governance, returns, and drive higher valuations. Our position in Samsung Life rose 67.7% on expectations reforms will force disposal of company holdings in affiliated companies. Samsung Life selling its position in Samsung Electronics would trigger a huge one-off gain freeing up cash to be re- deployed productively. We trimmed Samsung Life to rotate into laggard DB Insurance, which is cheaper and in our view has greater upside catalysts, being yet to announce Value-up plans. Leading bank KB Financial was another contributor, reporting robust profit growth with a surprise share buyback and cancellation as well as a higher dividend. KB also looks set to benefit from planned fiscal loosening by the Lee government and falling central bank rates boosting loan growth.

Underweight positioning in Taiwan was a detractor as the market rallied on a revival in sentiment for companies in the AI supply chain. Wireless communications chip designer Mediatek (2.2%) underperformed on the lack of a clear AI catalyst. While it is successfully challenging Qualcomm for market share in high-end smartphones, we expect demand for its chips in China to soften in the second half as the sugar hit from consumer electronics subsidies fades. We decided to exit Mediatek to recycle the capital into higher conviction ideas. Aspeed (82.4%) and Accton Technology (44.1%) fared better. Aspeed is a producer of server management chips and reported rapid sales growth underpinned by AI server demand. Accton specialises in the design and manufacture of high performance data centre switches. We expect demand for AI infrastructure to persist as AI applications evolve from reactive, limited chat functions requiring clear inputs and producing limited outputs, to autonomous assistants able to complete tasks. Despite the bright story we are not throwing caution to the wind. DeepSeek's R1 AI model raises questions over whether software innovation will dent infrastructure demand, while a falling USD will pressure exporters. Our approach is to focus exposure on companies dominating leading edge hardware while avoiding commoditised segments lacking moats and pricing power to mitigate against currency volatility.

Strong performance from Hong Kong financials offset drag from stock picking in mainland China. Chifeng Gold Mining led domestic holdings, along with contributions from China Merchants Bank and ICBC. Alibaba stumbled on regulators delaying deployment of BABA AI services on iPhones in China. We reduced mainland exposure in favour of Hong Kong. While modest fiscal stimulus on the mainland fades, liquidity surged in Hong Kong as its Monetary Authority intervened against a falling USD to maintain the HKD-USD peg, causing rates to plunge. The monetary boost supported a rally in Hong Kong Exchanges and Clearing (HKEX), AIA and Prudential. The current environment looks encouraging for HKEX, which reported that a record 208 companies applied for a listing in the year to end-June. A-to-H share listings have been a demand driver, and our investment in Chifeng is an example. Earlier this year we were fortunate to have met their entrepreneurial and ambitious management team before being invited to participate in the Chifeng H-share IPO at a discount, with proceeds to be used as funding for deals outside China. We ultimately made a large trim to the position as it doubled within a few months of purchase.

Greek and Polish equities surged on the back of rising sentiment for European equities driven by fiscal expansion in Germany. While overweight positioning was a positive as both markets rallied during the quarter, this was offset by underperformance in Polish consumer names and not owning the Greek banks. Polish fashion retailer LPP was the main laggard with margins under pressure from an aggressive store rollout plan, as operating expenditures climb on hiring costs. However, in our talks with LPP, management confirmed that they will scale back the rollout, especially among smaller stores, which will benefit margins. LPP should benefit from healthy consumer demand supported by the Polish government's loose fiscal footing. The strong economy and relatively high rates are also a boost for holding Bank Pekao's profitability, trading on 1.25x book with a 23% ROE. Contributions from stock picking across rallying markets in Latin America were strong. In Brazil, high end jewellery chain Vivara, water utility SABESP and property developer Cyrela outperformed. Agribusiness lender Banco do Brasil was the largest detractor, reporting poor results including rising loan delinquencies. We exited the stock on a view that weak agricultural prices have taken a bigger toll on the sector than first thought. Strength in Brazilian equities belies a macro backdrop souring on president Lula's fiscal profligacy. Our contrarian take is that Brazil's economic malaise presents an opportunity in that it makes Lula's re-election unlikely. A conservative victory in the 2026 federal elections could usher in an era of fiscal responsibility, likely a huge upside catalyst for stocks trading at cheap valuations. In Mexico we moved to zero weight by exiting high ROE bank Banorte. While the bank's performance has been robust, we expect loan growth to slow. However, what is more concerning is Mexico's deteriorating institutional quality following president Sheinbaum's pursuit of judicial reform culminating in the election of judges across the country. The regressive vote strengthens the ruling Morena party's grip over what was a relatively independent judiciary.

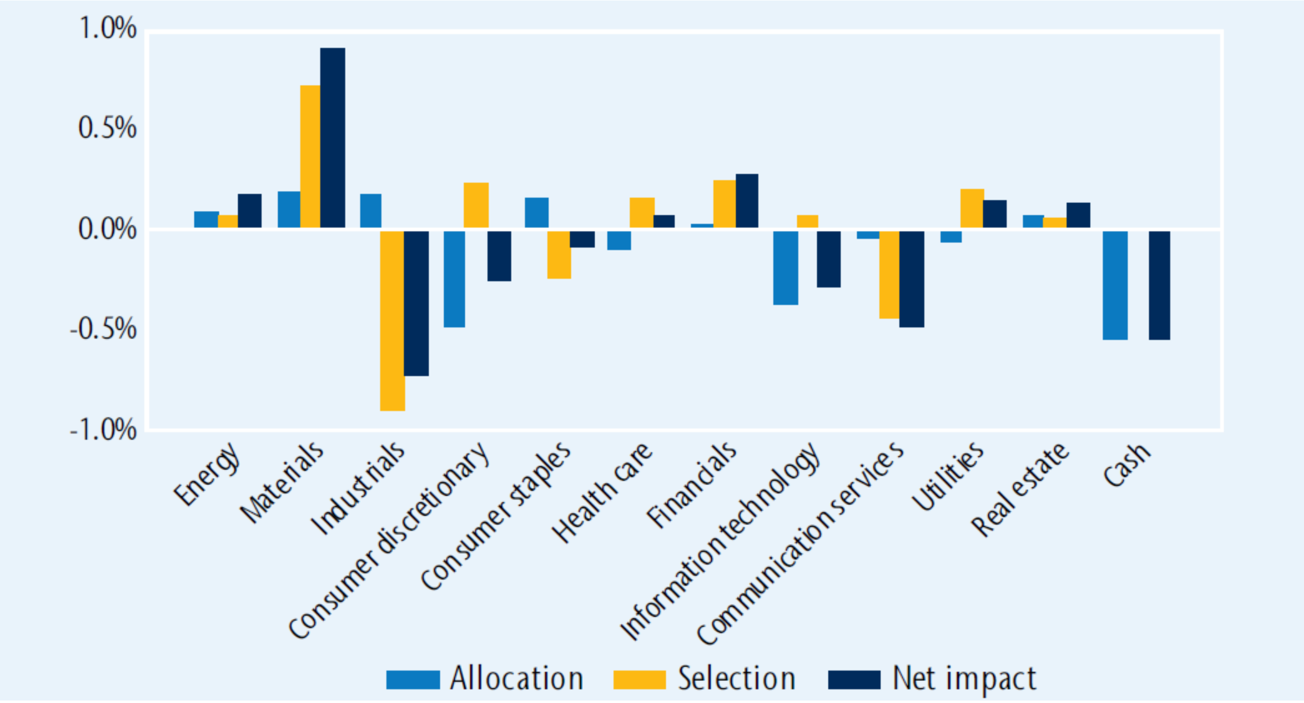
President Trump's desire to reduce the US trade deficit has important implications for financial markets. If the US trade deficit shrinks then the need for foreign capital to finance imports falls. Less foreign demand for USD assets should boost weak EM currencies and under-owned equities which have faced the headwind of a strong dollar. Things start to break when the dollar reaches such extremes, and whether it be through the market mechanism or politics, reversion eventually occurs. President Nixon ended dollar-gold convertibility in 1971, and slapped tariffs on the rest of the world in response to rising balance of payments pressures. The Plaza Accord under President Reagan in the 1980s was an attempt to rebalance trade through currency intervention. The dollar fell hard in both cases. There are echoes of these interventions in today's "Trump shock", and if this includes a shift to a weak dollar regime we could see a cycle of EM reflation. An EM currency tailwind will bring about easing credit conditions feeding into economic and corporate earnings growth, attracting capital flows. If this virtuous circle takes shape, we believe that understanding the reflexive linkages that currencies, money and credit have with company fundamentals will be crucial in navigating a new market regime.

Best and Worst Countries by Net Impact

Country	Allocation	Stock Selection	Net Impact
Saudi Arabia	0.5%	0.0%	0.4%
Brazil	0.0%	0.4%	0.4%
Hong Kong	0.2%	0.0%	0.2%
Mexico	0.1%	0.1%	0.1%
Greece	0.2%	-0.2%	0.1%
Thailand	0.0%	-0.1%	-0.1%
Malaysia	0.0%	-0.1%	-0.1%
China	0.3%	-0.4%	-0.2%
Philippines	-0.1%	-0.1%	-0.2%
Taiwan	-0.5%	-0.1%	-0.6%

Source: NS Partners Ltd

Attribution by Sector



Source: NS Partners Ltd

Contribution Analysis

Top Contributors	Average Weight	Contribution
Chifeng Jilong Gold Mining Co	1.1%	0.8%
Vivara Participacoes Sa	1.0%	0.5%
Grupo Financiero Banorte - O	0.9%	0.3%
Kb Financial Group Inc	1.2%	0.3%
Opap Sa	1.3%	0.3%

Source: NS Partners Ltd

Top Detractors	Average Weight	Contribution
Varun Beverages Ltd	0.9%	-0.2%
Full Truck Alliance Co Ltd	0.1%	-0.2%
Fpt Corp	0.7%	-0.2%
Alibaba Group Holding Ltd	4.4%	-0.2%
Larsen & Toubro Ltd	1.5%	-0.2%

Source: NS Partners Ltd

Activity During the Quarter

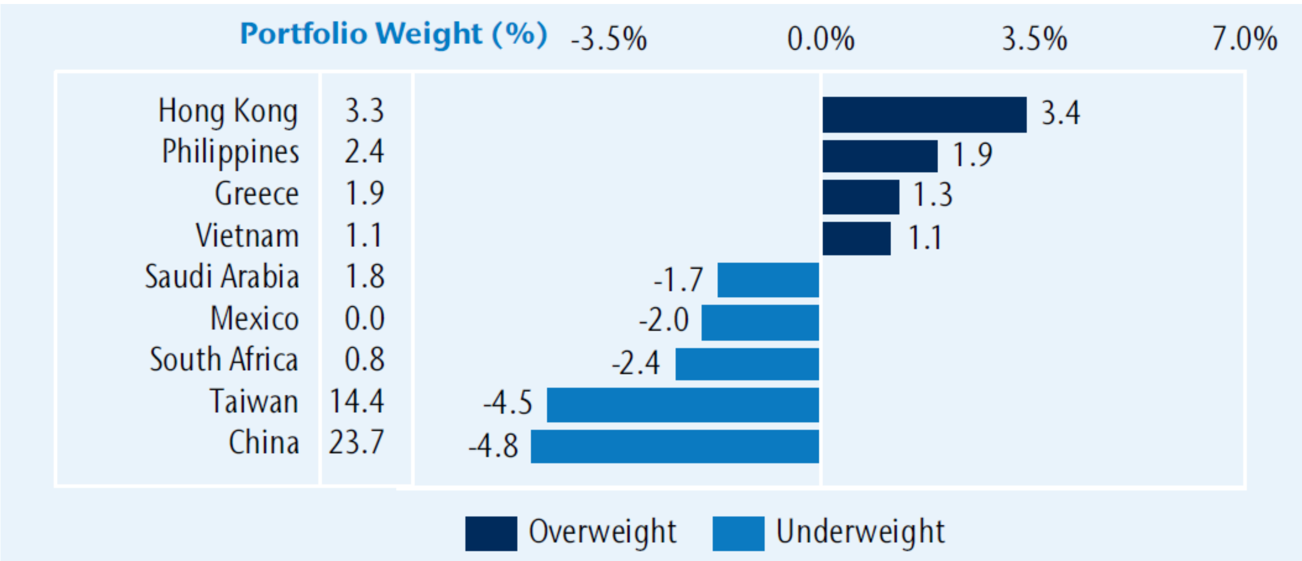
New	Exited
Xiaomi Corp-Class B	Mediatek Inc
Asia Vital Components	Grupo Financiero Banorte - O
Indus Towers Ltd	Infosys Ltd
China Yangtze Power Co Ltd-A	Midea Group Co Ltd
Rumo SA	Lotes Co Ltd
ICICI Bank Ltd	Full Truck Alliance Co Ltd
Gamuda BHD	Jd.Com Inc
Eicher Motors Ltd	Meituan
Grupo Financiero Galicia-B	PetroChina Co. Ltd.

Source: NS Partners Ltd

Add	Reduced
Taiwan Semiconductor Manufac	Samsung Electronics Co Ltd
Accton Technology Corp	Industrial and Commercial Bank of China
Alibaba Group Holding Ltd	Chifeng Jilong Gold Mining Co
Hong Kong Exchanges and Clearing Ltd	Trip.com Group Ltd
Hdfc Bank Limited	Byd Co Ltd -A
Contemporary Amperex Technolog	Kia Corp
Hanwha Aerospace Co Ltd	Varun Beverages Ltd
Grab Holdings Ltd	Kb Financial Group Inc
Saudi Awwal Bank	Firstrand Ltd

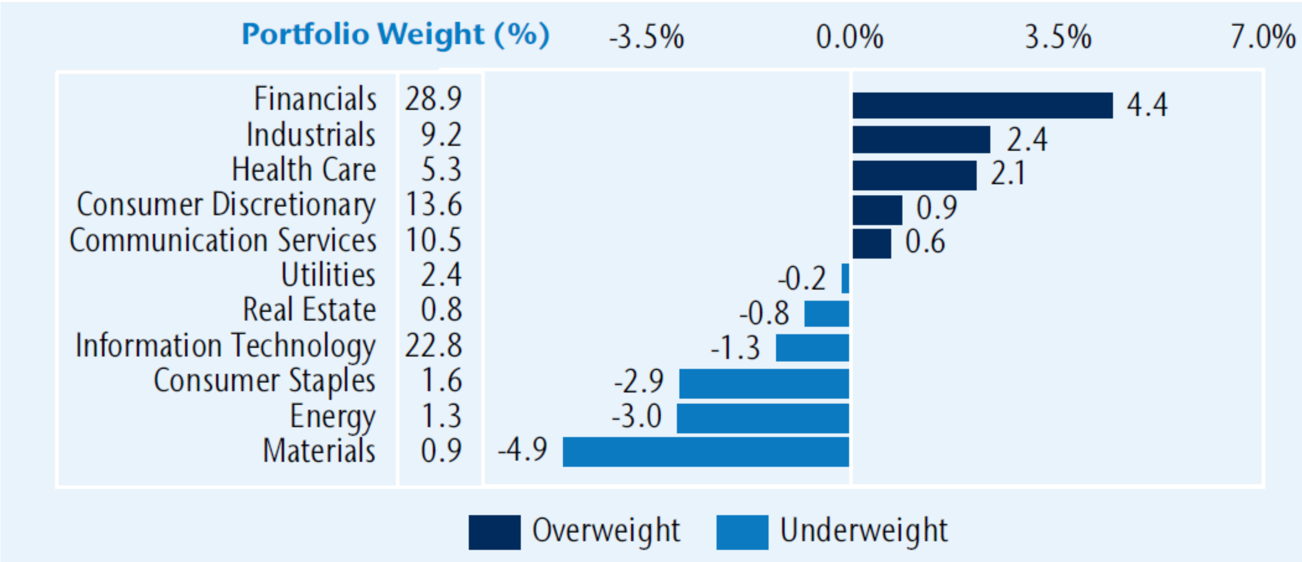
Source: NS Partners Ltd

Top Country Over/Under Weights vs MSCI EM Index



Source: NS Partners Ltd

Sector Allocation Over/Under Weights vs MSCI EM Index



Source: NS Partners Ltd

Top 5 Overweights vs MSCI EM Index

Company Name	Country	Sector	Active Weight
Max Healthcare Institute Ltd	India	Health Care	2.8%
Tencent Holdings Ltd	China	Communication Services	2.0%
Hdfc Bank Limited	India	Financials	1.8%
Bharti Airtel Ltd	India	Communication Services	1.6%
Axis Bank Ltd	India	Financials	1.6%

Source: NS Partners Ltd

Top 5 Underweights vs MSCI EM Index

Company Name	Country	Sector	Active Weight
Reliance Industries Ltd	India	Energy	-1.2%
China Construction Bank	China	Financials	-1.1%
Meituan	China	Consumer Discretionary	-0.9%
Hon Hai Precision Industry	Taiwan	Information Technology	-0.8%
Mediatek Inc	Taiwan	Information Technology	-0.8%

Source: NS Partners Ltd

Disclaimer

This is a marketing communication. Please refer to the prospectus, the key investor information documents (the **KIIDs/PRIIPS KIDs**) and the financial statements of Nedgroup Investments Funds plc (the **Fund**) before making any final investment decisions.
The documents applicable to the Fund are available from Nedgroup Investments (IOM) Ltd (the **Investment Manager**) or via the website: www.nedgroupinvestments.com.

This document is intended for information purposes only, it is not intended for distribution to any person or entity who is a citizen or resident of any country or other jurisdiction where such distribution, publication or use would be contrary to law or regulation. The views expressed herein are those of the Investment Manager / Sub-Investment Manager at the time and are subject to change, and whilst all reasonable steps were taken to ensure that this document is accurate and current at the time of publication, we shall accept no responsibility or liability for any inaccuracies, errors or omissions relating to the information and topics covered in this document.

The Fund is domiciled in Ireland, authorised and regulated by the Central Bank of Ireland. The Fund is a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended. Nedgroup Investment (IOM) Limited (reg no 57917C), the Investment Manager and Distributor of the Fund, is licensed by the Isle of Man Financial Services Authority. The Depositary of the Fund is Citi Depositary Services Ireland DAC, 1 North Wall Quay, Dublin 1, Ireland. The Administrator of the Fund is Citibank Europe plc, 1 North Wall Quay, Dublin 1, Ireland.

The sub-funds of the Fund (the **Sub-Funds**) are generally medium to long-term investments and the Investment Manager does not guarantee the performance of an investor's investment and even if forecasts about the expected future performance are included the investor will carry the investment and market risk, which includes the possibility of losing capital.

The price of shares may go down or up depending on fluctuations in financial markets outside of the control of the Investment Manager meaning an investor may not get back the amount invested. Past performance is not indicative of future performance and does not predict future returns.
Risks and fees are outlined in the relevant Sub-Fund supplement.
Prices are published on the Investment Manager's website.

Distribution: The Investment Manager may decide to terminate the arrangements made for the marketing of its collective investment undertakings in accordance with Art 93a of Directive 2009/65/EC and Art 32a of Directive 2011/61/EU.
Switzerland: The Representative is Acolin Fund Services AG, Maintower, Thurgauerstrasse 36/38, 8050 Zurich, whilst the Paying agent is Banque Heritage SA, Route de Chêne 61, CH-1211 Geneva 6. Nedgroup Investments (IOM) Limited is affiliated to the Swiss ombudsman: Verein Ombudsstelle Finanzdienstleister (OFD), Bleicherweg 10, CH-8002 Zurich.
U.K: Nedgroup Investments (UK) Limited (reg no 2627187), authorised and regulated by the Financial Conduct Authority, is the facilities agent. The Fund and certain of its sub-funds are recognised in accordance with Section 264 of the Financial Services and Markets Act 2000.
Isle of Man: The Fund has been recognised under para 1 sch 4 of the Collective Investments Schemes Act 2008 of the Isle of Man. Isle of Man investors are not protected by statutory compensation arrangements in respect of the Fund.

NEDGROUP INVESTMENTS CONTACT DETAILS
Tel: toll free from South Africa only 0800 999 160
Email: info@nedgroupinvestments.co.za
For further information on the fund please visit: www.nedgroupinvestments.com

OUR OFFICES ARE LOCATED AT
First Floor, St Mary's Court
20 Hill Street, Douglas
Isle of Man
IM1 1EU